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in Governor's
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SEARCH

The Administration

Constituent Services

Press Office

Agenda

Legislation &
Executive Orders

Get Involved

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PATRICK-MURRAY ADMINISTRATION ANNOUNCES STATEWIDE SERIES OF PUBLIC INFORMATIONAL HEARINGS ON SMALL BUSINESS HEALTH INSURANCE INITIATIVES

Small-business development key focus of Governor's Economic Summit last week

BOSTON - November 02, 2009 - Delivering on the themes of the Patrick-Murray Administration's Economic Summit held last Tuesday, and moving forward on the call for small business health insurance reform in October, Governor Deval Patrick today announced that the Commonwealth's Division of Insurance will host special sessions dedicated to the creation of group purchasing cooperatives beginning November 10th. The Division's information gathering efforts regarding small-business health insurance costs began today with a hearing in Lowell.

"Small businesses need a break and these hearings can help with the rising costs of health-insurance," said Governor Patrick. "These hearings will help us get to the root causes."

The Governor called for special sessions on group purchasing cooperatives on October 20th as part of four reforms targeting the large increases in health insurance premiums carried by small businesses and individuals. Group purchasing cooperatives would allow small businesses and individuals to combine their purchasing power and seek lower premiums through a larger entity, while also including protection from membership restrictions and allow the cooperatives to choose and sponsor their own health products and health promotions.

The hearings will be held on Tuesday, November 10th, for a general discussion of small group laws; Tuesday, November 17th, to consider guarantee issues, product design, and rating rules; Tuesday, December 1st, to consider health promotion programs; Tuesday, December 8th, to consider consumer protections; and Tuesday, December 15th, to discuss other concerns. All the sessions start at 1:00 p.m. in Meeting Room B, at the Division of Insurance offices on the fifth floor of One South Station. "I am pleased that pro-active steps are being taken to help address the cost of providing employee health insurance, which has become a major concern for small businesses," said Senator Michael O. Moore, Chair of the Committee on Community Development and Small Business. "I am happy to support any measure that has the potential to save businesses money, while enabling them to provide health coverage to their employees. In these tough economic times, it is crucial that the Commonwealth do what it can to help small businesses succeed."

"Traveling across the state on a listening tour, I have heard a consistent, persistent, and clear plea from small business owners: 'Find a way to lower our sky rocketing health care costs,'" Representative Linda Dorcena Forry, Chair of the Joint Committee on Community Development and Small Business, said. "I applaud Governor Patrick for his efforts and look forward to working with him on this issue."

In October, standing alongside business leaders and small business owners, Governor Deval Patrick unveiled key recommendations aimed at reducing health care costs for small employers while maintaining access to quality care for employees, including the hearings being announced today. The series of reforms addressed a top concern of small business owners - who in recent years have been burdened by double-digit premium increases - and reflect the administration's ongoing commitment to collaborate with the business community on solutions to speed the state's economic recovery.

In addition to the hearings, the Governor announced last month that the administration will file legislation amending small-group rating rules, giving the Division of Insurance expanded power to annually eliminate any unnecessary administrative costs and align factors in ways that could reduce the premiums charged to most small businesses. The administration also announced its intention to file legislation to expand the Division of Insurance's authority over health insurance premiums, ensuring that company rates are reviewed before going into effect and allowing the agency to disapprove rates if they are deemed unreasonable in relation to the benefits provided.

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